

FY99

ANNUAL FISCAL REPORT

Budgetary Basis



State of Wisconsin
1999



State of Wisconsin
1999 Annual Fiscal Report

(Budgetary Basis)

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October 15, 1999

The Honorable Tommy G. Thompson
The Honorable Members of the Legislature

This report presents statements of fund condition and operations (budgetary basis) of the State of Wisconsin for the fiscal year ended June 30, 1999. This satisfies the requirements of sec. 16.40(3), Wisconsin Statutes. Displayed are major sources of revenues and major categories of expenditures for the General Fund and other funds compared to the prior year.

The General Fund has an undesignated balance of \$701.3 million as of the end of the fiscal year. This is \$583.7 million higher than the \$117.6 million estimate that was projected in the final Chapter 20 fund condition statement.

General purpose revenue taxes were \$9.948 billion compared to \$9.528 billion in the prior year, an increase of \$420 million or 4.4 percent. General purpose revenue expenditures were \$10.009 billion compared to \$9.695 billion in the prior year, an increase of \$314 million or 3.2 percent.

General purpose revenue spending increases in fiscal year 1999 were largely driven by increases in three areas: School Aids increased by \$197.5 million, Corrections by \$63.6 million, and the U.W. System by \$26.8 million.

In fiscal year 1999, the State of Wisconsin continued to devote the major share of state tax collections to assistance to local school districts, municipalities and counties. Local assistance accounted for 61.2 percent of total general purpose revenue spending. Aid payments to individuals and organizations represented 16.6 percent of total general purpose revenue expenditures. The University of Wisconsin accounted for 9.2 percent of total general purpose revenue spending and state operations spending for all other state agencies accounted for 13.0 percent of the total.

The State of Wisconsin expects to publish its comprehensive annual financial report in December of 1999. The report will be prepared under generally accepted accounting principles.

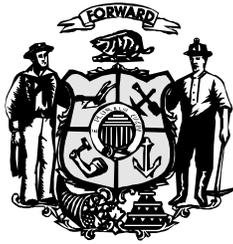
Respectfully submitted,

Handwritten signature of George Lightbourn in cursive.

George Lightbourn
Acting Secretary

Handwritten signature of William J. Raftery in cursive.

William J. Raftery, CPA
State Controller



Economic Section



The Year In Summary

Revenue Highlights

General purpose revenue (GPR) taxes for the fiscal year (FY) ending June 30, 1999 totaled \$9,948.4 million, an increase of 4.4 percent from FY 1998 collections of \$9,528.4 million.

Total tax collections for FY 1999 were 285.7 million or 3.0 percent above the Chapter 20 estimate (of 1998-99 statutes) of \$9,662.7 million.

Individual income taxes exceeded the estimate by \$90.0 million, sales taxes by \$133.4 million, public utility taxes by \$14.5 million, insurance company taxes by \$2.1 million, and estate taxes by \$61.9 million, but corporate/franchise/income tax collections were \$21.6 million below estimates.

Table 1

General Purpose Revenue (GPR) Taxes By Source
GPR Tax Collections
(\$ Millions)

Tax Source	FY 99	% of Total	FY 98	% of Total	Change FY98-FY99	% Change
Individual Income	\$5,162.2	51.89%	\$5,047.3	52.96%	\$ 114.9	2.3%
General Sales & Use	3,284.7	33.02%	3,047.4	32.00%	237.3	7.8%
Corporation Franchise & Income Excise	635.2	6.38%	627.0	6.58%	8.2	1.3%
Inheritance, Estate & Gift	308.9	3.11%	299.1	3.14%	9.8	3.3%
Public Utility	116.9	1.18%	80.1	0.84%	36.8	45.9%
Insurance Companies	287.1	2.89%	288.3	3.03%	-1.2	-0.4%
Miscellaneous	97.1	0.97%	88.1	0.92%	9.0	10.2%
TOTAL GPR	56.3	0.56%	50.9	0.53%	5.4	10.6%
	<u>\$9,948.4</u>	<u>100.0%</u>	<u>\$9,528.2</u>	<u>100.0%</u>	<u>\$ 420.2</u>	<u>4.4%</u>

Individual Income Tax

Individual income tax collections increased 2.3 percent from \$5,047.3 million in FY 1998 to \$5,162.2 million in FY 1999. Collections were \$90.0 million (1.8 percent) above the \$5,072.2 million estimate. The individual income tax share of total GPR taxes decreased from 53.0 percent in FY 1998 to 51.9 percent in FY 1999.

The largest component of individual income tax collections is withholding from wages and salaries, which increased 7.6 percent from \$4,308 million to \$4,636 million. Estimated payments increased 7.6 percent from \$856 million to \$921 million, and payments with tax returns decreased 7.6 percent from \$291 million to \$269 million. Refunds increased 34.3 percent from \$689 million to \$925 million. The

large increase in refunds was attributable to tax rate reductions and a one-time increase in the school property tax credit.

The rate reductions and property tax credit increase reduced individual income tax collections by an estimated \$330 million in FY 1999. In the absence of these tax cuts, individual income tax collections would have increased 8.8% instead of 2.3%.

General Sales and Use Tax

Collections from the 5 percent general sales and use tax increased 7.8 percent from \$3,047.4 million to \$3,284.7 million. This was \$133.4 million (4.2 percent) above the \$3,151.3 million estimate.

Sales tax collections as a percentage of total GPR taxes increased from 32.0 percent in FY 1998 to 33.0 percent in FY 1999.

The year-over-year growth rate was about 9.7 percent for the third quarter of 1998, 5.4 percent for the fourth quarter of 1998, 7.2 percent for the first quarter of 1999 and 6.2 percent for the second quarter of 1999. Additional collections decreased 9.8 percent from \$69.6 million to \$62.8 million. Delinquent collections decreased 5.4 percent from \$27.9 million to \$26.4 million.

Corporation Franchise and Income Tax

Corporate collections increased 1.3 percent from \$627.0 million in FY 1998 to \$635.2 million in FY 1999. Corporate collections as a percentage of total GPR taxes decreased from 6.6 percent to 6.4 percent. Corporate collections were \$21.6 million (3.3 percent) below the estimate of \$656.8 million.

The major source of corporate collections, estimated payments, increased 3.3 percent from \$646.4 million to \$667.7 million. Payments with tax returns increased 23.0 percent from \$30.8 million to \$37.9 million.

Public Utility Taxes

Utility tax collections decreased 0.4 percent from \$288.3 million to \$287.1 million. Telephone taxes accounted for \$149.4 million of utility taxes with virtually all of the rest accounted for by heat, light and power companies and pipelines.

Excise Tax

Cigarette tax collections increased 3.9 percent from \$247.7 million to \$257.4 million, or \$1.3 million above the estimate of \$256.1 million. The increase in cigarette tax collections in FY 1999 is entirely

attributable to the 34.1 percent rate increase from 44 cents to 59 cents per pack that took effect on November 1, 1997, since cigarette consumption in FY 1999 fell by an estimated 2.8 percent from FY 1998.

Liquor and wine tax collections increased 0.6 percent from \$32.7 million to \$32.9 million compared to the estimate of \$32.3 million.

Beer tax collections decreased 3.2 percent to \$9.2 million compared to the estimate of \$9.5 million. The peak year for beer tax collections was FY 1984 with \$10.3 million.

Tobacco products tax collections stayed the same as FY 1998 at \$9.4 million compared to the estimate of \$10.6 million.

Estate Taxes

Estate taxes increased 45.9 percent from \$80.1 million to \$116.9 million in FY 1999, reflecting the volatility of the tax. FY 1999 estate tax collections are a record amount.

Insurance Company Taxes

Insurance company taxes (generally based on premiums) increased 10.2 percent from \$88.1 million to \$97.1 million, or \$2.1 million more than the estimate of \$95.0 million.

Miscellaneous Taxes

Miscellaneous taxes increased 10.6 percent from \$50.9 million to \$56.3 million, or \$5.1 million more than the \$51.2 million estimate. The major tax in this group is the real estate transfer fee, which increased 14.6 percent from \$38.4 million to \$44.0 million.

Expenditure Highlights

Total state General Purpose Revenue (GPR) spending increased 1.6 percent or \$150.9 million in FY 1999, as shown in Table 2. This compares with a 7.4 percent increase in FY 1998, a figure driven by the state's commitment to fund two-thirds of K-12 school costs.

The largest portion of GPR expenditures in FY 1999 was directed to school districts and local units of government, consistent with past years. Local assistance received \$6,022.4 million or 61.2 percent of total GPR spending; an increase from the 60.3 percent share paid in FY 1998. Aids to individuals received \$1,636.4 million, or 16.6 percent of total GPR spending in FY 1999 compared to 16.3 percent in FY 1998. State operations accounted for 22.2 percent of total GPR spending, down from 23.4 percent of GPR expenditures accounted for by state operations in FY 1998.

Local Assistance represented the largest share of the net increase in total GPR spending at \$175.0 million. State Operations represented a net reduction of \$82.1 million, due to the \$215 million

one-time funding expended in FY 1998 for the court-ordered Special Investment Performance Dividend (SIPD) to annuitants of the Wisconsin Retirement System. Aids to individuals increased by \$58.0 million.

By percentage change, aids to individuals showed the largest increase in spending at 3.7 percent, compared to a 6.4 percent increase in FY 1998. Local assistance payments increased 3.0 percent in FY 1999 compared to a 4.2 percent increase in FY 1998. State operations expenditures declined overall 3.6 percent in FY 1999 compared to a 17.4 percent growth in FY 1998, again due to the one-time SIPD payment.

The GPR budget is shaped by the ten largest programs, as detailed in Table 3. These programs comprise 85.3 percent of total GPR expenditures, as compared with 83.4 percent of GPR expenditures in FY 1998. Immediately following this section is a brief explanation of each program.

Table 2

GPR BUDGET BY PURPOSE
GPR Expenditures
(\$ Millions)

	FY99	% of Total	FY98	% of Total	\$ Change FY98-FY99	% Change
Local Assistance	\$6,022.4	61.2%	\$5,847.4	60.3%	175.0	3.0%
Aids to Individuals	1,636.4	16.6%	1,578.4	16.3%	58.0	3.7%
State Operations						
UW System	903.6	9.2%	876.8	9.0%	26.8	3.1%
All Other Agencies	1,283.0	13.0%	1,391.9	14.4%	-108.9	-7.8%
Subtotal	9,845.4	100.0%	\$9,694.5	100.0%	\$150.9	1.6%
Transfer to Property Tax Fund	100.0					
Transfer to Computer Escrow Fund	64.0					
TOTAL GPR	\$10,009.4					

Table 3

TOP TEN PROGRAMS
GPR Expenditures
(\$ Millions)

	FY99	% of Total	FY98	% of Total	\$ Change FY98-FY99	% Change
School Aids	\$3,859.7	39.2%	\$3,662.2	37.8%	\$197.5	5.4%
Shared Revenues	1,008.6	10.2%	1,008.6	10.4%	0.0	0.0%
Medical Assistance	927.8	9.4%	904.8	9.3%	23.0	2.5%
UW System	903.6	9.2%	876.8	9.0%	26.8	3.1%
Corrections and Related	620.4	6.3%	556.8	5.7%	63.6	11.4%
Property Tax Credits	469.3	4.8%	469.3	4.9%	0.0	0.0%
Community Aids	175.4	1.8%	174.6	1.8%	0.8	0.4%
Tax Relief to Individuals	167.2	1.7%	173.9	1.8%	-6.7	-3.9%
Wisconsin Works	134.7	1.4%	149.7	1.5%	-15.0	-10.0%
Supplemental Security Income (SSI)*	128.3	1.3%	128.3	1.2%	0	0.0%
All Others	1,450.4	14.7%	1,589.5	16.6%	-139.1	4.9%
Subtotal	9,845.4	100.0%	\$9,694.5	100.0%	\$150.9	1.6%
Transfer to Property Tax Fund	100.0					
Transfer to Computer Escrow Fund	64.0					
TOTAL GPR	\$10,009.4					

*New Top 10 Program in FY 1999.

School Aids: State assistance to Wisconsin's 426 school districts increased by 5.4 percent or \$197.5 million in FY 1999. Total state aids to schools plus property tax credits enabled the state to reimburse an estimated 66.4 percent of school costs in FY 1999.

Since the 1993-94 school year, school districts have been subject to statewide revenue limits. These limits control the allowable increase in each school district's revenues by limiting the total revenue a district can collect from the combined sources of property tax levies for nondebt purposes and state general aids. These controls combined with the large increase in state school aids, succeeded in reducing the statewide gross school property tax levy by 16.4 percent in FY 1997. In FY 1998 the gross levy was increased by 2.5 percent and in FY 1999 the levy increased by 4.2 percent.

There are two major types of school aid. Approximately 89 percent of school aids are general aids, distributed by a formula designed to equalize each school district's property tax base per student, and aids to support the Milwaukee Public Schools voluntary desegregation program. The

remaining 11 percent are categorical aids, distributed based on local expenditures for specific activities or educational programs. The major categorical aid programs are programs for addressing special education needs and educational technology.

Shared Revenue: State shared revenue provides unrestricted aid to municipal and county governments. In FY 1999, the shared revenue formula distributed \$930.0 million primarily through equalized aidable revenue payments and per capita payments. The Expenditure Restraint Program distributed another \$48 million to municipalities with tax rates over 5 mills that restrained their spending increases. Two additional programs, Small Municipality Shared Revenue and County Mandate Relief, provided \$10 million to municipalities with populations under 5,000 and \$20.2 million in per capita payments to counties, respectively. The total FY 1999 shared revenue payment was \$1,008.6 million, the same as in the previous fiscal year. Statewide, shared revenue payments provide municipalities with about 23.0

percent and counties with about 5.8 percent of their operating revenues.

Medical Assistance: Wisconsin's state and federally funded Medical Assistance (MA) program pays for medical services to certain categories of low income persons. Included are recipients of Supplemental Security Income; children and low-income families; and pregnant women and other low-income individuals who have high medical expenses. In FY 1999, total MA expenditures were \$2,550.3 billion of which \$927.8 million were GPR and the balance was federally funded. Total MA spending in FY 1999 increased by 1.5 percent over FY 1998 expenditures compared to a 2.3 percent increase in the previous year. The state funded portion of MA increased 2.5 percent in FY 1999, compared to a 4.5 percent increase the previous year.

University of Wisconsin System: Total general purpose revenue expenditures for the UW System increased by \$26.8 million, or 3.1 percent in FY 1999. Tuition at UW institutions, despite annual increases, continues to be a relative bargain in higher education. Resident undergraduate tuition at Madison was \$906 below the "Big Ten" median. UW-Milwaukee was \$607 below its peer group median and all other campuses were approximately \$300 below their peer group medians in FY 1999.

Correctional Services: Wisconsin's correctional population and related expenditures continued to increase in FY 1999. The population of incarcerated felons under the supervision of the state corrections program increased from 14,020 in FY 1998 to 16,228 in FY 1999, a 15.7 percent increase in population. Total GPR expenditures for the state corrections program increased \$63.6 million or 11.4 percent over the prior year, reaching \$620.4 million in FY 1999.

State Property Tax Credits: The School Levy Tax Credit pays local governments to reduce each property owner's taxes. Funding for the credit in FY 1999 was \$469.3 million. The School Levy Tax Credit in FY 1999 offset 9.0 percent of 1997 gross property tax collections for all purposes statewide.

Community Aids: Community Aids are state and federal funds distributed to counties to fund various human services programs. Total expenditures reached \$300.3 million in FY 1999, of which \$175.4 million was GPR. Total all fund

expenditure levels decreased by 1.9 percent or by \$5.8 million from FY 1998.

Tax Relief to Individuals: Wisconsin paid out \$167.2 million GPR in tax relief to individuals through a variety of programs during FY 1999.

The GPR funded Homestead Credit and Farmland Preservation Credit and the Farmland Tax Relief Credit, which is funded by lottery proceeds, are "circuit-breaker" tax credits. Circuit-breakers assist households to pay property taxes in excess of their ability to pay. Claimants receive a credit against their state income tax liability or a refund check.

Wisconsin's Homestead Credit pioneered property tax relief through circuit-breakers. The program remains one of the nation's leaders in providing circuit-breaker relief, ranking third among the states in comprehensiveness and per capita expenditures for residential property tax relief. The Homestead Credit provided \$77.2 million of tax relief in FY 1999. About 194,000 low-income homeowners and renters--over half of them age 60 and older--benefit from the program each year.

The Farmland Preservation Credit provides a refundable credit to farmers who qualify through exclusive agricultural zoning or individual farmland preservation agreements. Wisconsin's Farmland Preservation Credit is one of only two similar state programs in the country. Farmland Preservation Credit expenditures totaled \$18.1 million in FY 1999, a decrease of 9.5 percent from the prior year, reflecting in part a reduction in farm property tax burdens.

The Earned Income Credit program reduces income taxes for low income working families with children. In FY 1999, the Earned Income Credit paid \$60.4 million to these households, a decrease of 5.6 percent over the prior year.

Wisconsin Works: Wisconsin Works or W-2 is the state's replacement program for the Aid to Families with Dependent Children [AFDC] program. Phased in over 6 months from September 1, 1997 to March 31, 1998, W-2 is a work-based system that provides support services, such as child care and transportation, to families in order to help them achieve self-sufficiency. On average, there were approximately 22,700 AFDC or W-2 cases served over the course of FY 1998. As of August

1999, the W-2 caseload for cash assistance has fallen to just over 7,900.

Expenditure levels in previous reports included only AFDC cash benefits. With the implementation of the W-2 program, Wisconsin now budgets the majority of the state funds dedicated to this purpose in one appropriation. In addition to W-2 cash benefits, this appropriation covers other W-2 expenditures like administration, work experience, job search, and education and training. Also included are state funds for Food Stamp and Medical Assistance eligibility determination, fraud programs and several other small public assistance-type programs. All of these funds are used to meet the federally required Maintenance of Effort. In

total, \$134.7 million of state GPR was spent on W-2 and other public assistance programs in FY 1999, a decrease of over 10 percent from the previous fiscal year. Despite this decrease, the state was still able to meet its federal Maintenance of Effort requirement in FY 1999.

SSI: Wisconsin provides a supplement to the federal supplemental security income (SSI) program which provides cash assistance to low income aged, blind and disabled workers and to disabled parents as support for their children. Total expenditures in FY 1999 were \$137.6 million, of which \$128.3 million was GPR. Total all funds expenditures increased by 5.8 percent or \$7.6 million from FY 1998.

Comparative Condition of the General Fund

	FY99 Actual AFR Report	Chapter 20	Variance	Note
OPENING BALANCE				
Undesignated, Unreserved Opening Balance	\$ 552,311	\$ 352,243	\$ 200,068	1
Add Prior Year Designation of Continuing Balances	55,792	-	55,792	2
Unreserved Opening Balance	<u>608,103</u>	<u>352,243</u>	<u>255,860</u>	
REVENUES				
Taxes	9,948,414	9,662,668	285,746	3
Departmental Revenues	165,276	151,227	14,049	4
Total Revenues	<u>10,113,690</u>	<u>9,813,895</u>	<u>299,795</u>	
Total Available Per Schedule A-1	<u>10,721,793</u>	<u>10,166,138</u>	<u>555,655</u>	
APPROPRIATIONS				
Gross Appropriations Per General Fund Summary	9,876,324	9,876,324	-	
New Legislation	28,903	-	28,903	5
Budget Increases to Sum Sufficient Appropriations	38,869	-	38,869	6
Budget Brought Forward From Previous Year	55,792	-	55,792	7
Budget Carried To Next Year for Continuing Appropriations	(11,533)	-	(11,533)	8
Compensation Reserve	57,071	66,338	(9,267)	9
Local Government Property Insurance Fund	108	2,109	(2,001)	10
Transfer to Property Tax Relief Fund	100,000	100,000	-	
Transfer to Computer Escrow Fund	64,000	64,000	-	
Less Lapses of Appropriations	(200,139)	(60,255)	(139,884)	11
Total Expenditures Per Schedule A-1	<u>10,009,395</u>	<u>10,048,516</u>	<u>(39,121)</u>	
General Fund Balance before Designation	712,398	117,622	594,776	
Prior Period Adjustment	(59)		(59)	12
Residual Equity Transfers	487	-	487	13
Designation for Appropriation Authority Carried Forward	(11,533)	-	(11,533)	14
Net	<u>\$ 701,293</u>	<u>\$ 117,622</u>	<u>\$ 583,671</u>	

Notes:

- 1 The opening balance difference is the difference between the budgeted and actual ending balances for the prior year, the first year of the biennium. See Note D to the Fund Statements.
- 2 The prior year designation for continuing balances is added to the unreserved, undesignated opening balance to arrive at the unreserved opening fund balance.
- 3 Actual tax collections were more than the estimated tax collections included in the published budget.
- 4 Actual departmental revenues were more than anticipated revenues included in the published budget. Certain budgetary lapses may have been counted as revenues in the published budget.
- 5 Legislation not included in the published budget.
- 6 Sum Sufficient appropriations are appropriations that have authority to expend amounts necessary to accomplish the purpose specified by the legislation. Appropriations are increased by expenditures that exceed the estimate.
- 7 As in Note 2, gross appropriations are increased for the amount of continuing balances from the preceding year.
- 8 Biennial appropriations are not restricted to the annual amounts recorded in the Chapter 20 schedule. The

controlling limit is the sum of the annual amounts. Therefore, any budget remaining from the first year of the biennium is carried forward to the second year of the biennium. Similarly, if the first year's budget authority is exceeded in the first year of the biennium, the agency can begin spending against the second year's budget. In FY98, the first year of the biennium, agencies had under-expended first year appropriations. The remaining budget authority is therefore carried forward to the second year. Since this amount is available for expenditure in the second year, the amount is shown as a decrease to the first year's budget and an increase to the second year's budget. In addition, any unspent budget authority in a continuing appropriation is carried forward to the succeeding year. For purposes of this table, the unspent budget authority is a reduction to the current budget and an increase to the succeeding budget.

- 9 Actual compensation expenditures applied against the Chapter 20 compensation reserves amounted to \$57,070,676 . This total was \$9,267,724 less than the Chapter 20 reserve.
- 10 Repayments of loans made to the general fund are not recorded as expenditures in the AFR. This is consistent with accounting convention which holds that the receipt of loans and their repayments do not affect fund balance. However, interest on the loan is an expenditure to the fund. The \$108,134 amount in column 1 represents the amount of interest paid in FY99.
- 11 The amount shown is for lapses of annual or sum sufficient appropriations with expenditures less than the Chapter 20 estimate.
- 12 A minor adjustment to the opening balance was required.
- 13 Residual Equity Transfers are nonrecurring, nonroutine transfers of equity between funds. For budgetary purposes, transfers from other funds are treated as departmental revenue. In FY99, the following transfers were made to or from (amounts in parentheses) the general fund:

Transfer from the Agricultural Chemical Cleanup Fund	\$ 479,278
Transfer from the Transportation Fund	8,034
	\$ 487,312

- 14 See also Note 8. The amount designated represents the amount of budget authority carried forward from FY99 to FY00.

Statements of Fund Condition and Operations

15-Year Comparison of Wisconsin's Ending General Fund Unreserved Balances

(In Millions of Dollars)

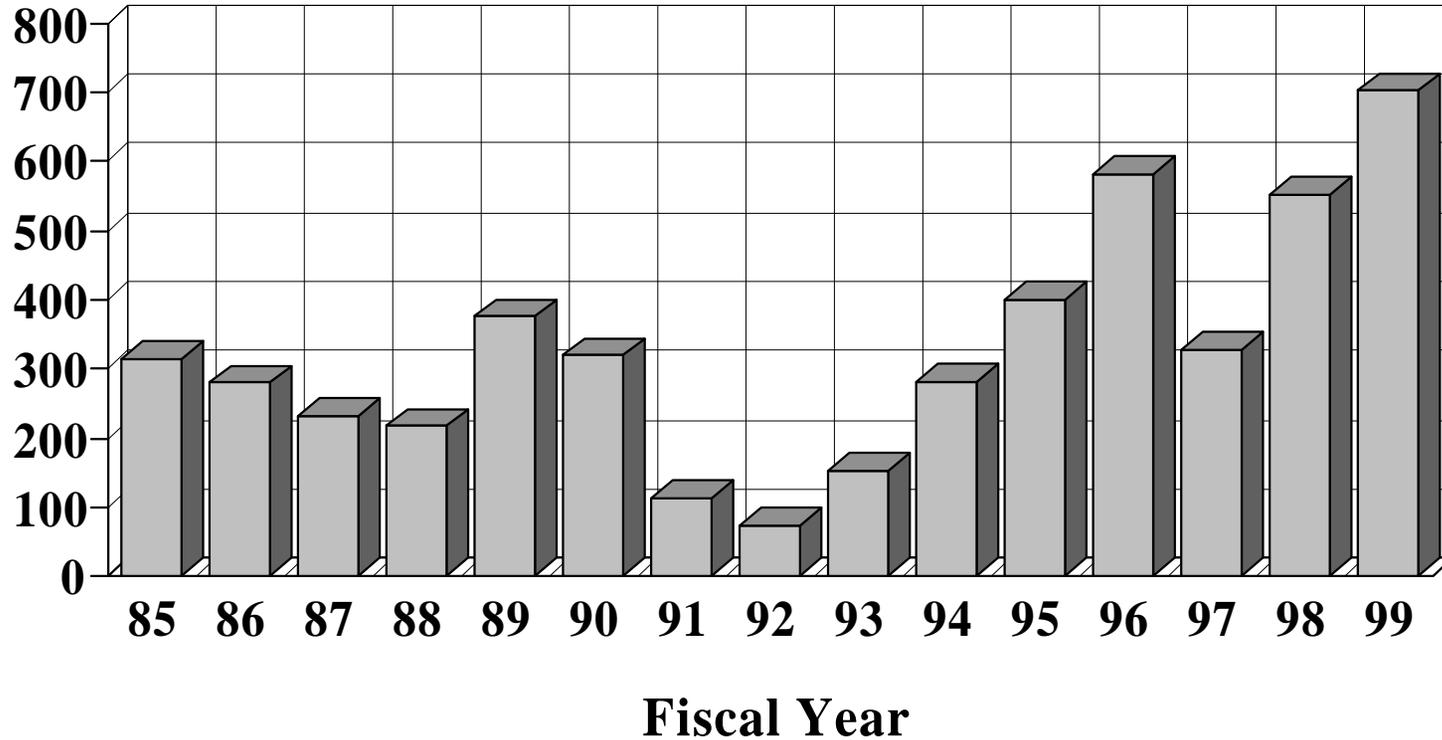


Exhibit A-1

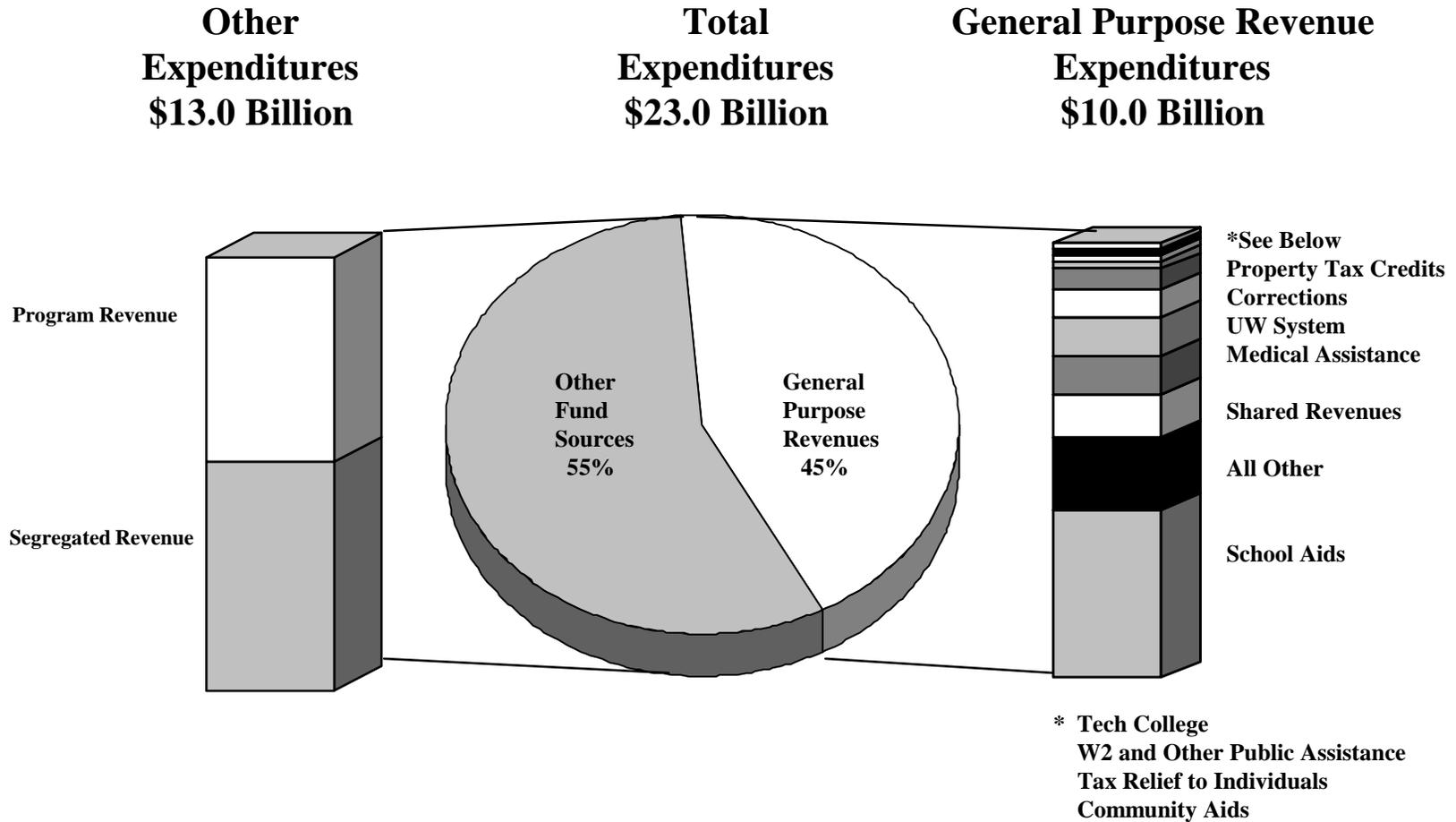
State of Wisconsin
 Statement of Recorded, Revenues, Expenditures and Fund Balance-Budget vs.
 Actual-General Purpose Revenues-Statutory Basis
 (In Thousands)

	BUDGET			ACTUAL				VARIANCE
	Published Budget	Appropriation Adjustments	Final Budget	Disbursements	Reserve for Encumbrances as of		Expenditures	
				June 30, 1999	June 30, 1998			
Beginning Unreserved								
Undesignated Balance.....	\$ 352,243	\$ -	\$ 352,243	\$ 552,311	\$ -	\$ -	\$ 552,311	\$ 200,068
Beginning Unreserved								
Designated Balance.....	0	-	0	55,792	-	-	55,792	55,792
Total.....	352,243	-	352,243	608,103	-	-	608,103	255,860
REVENUES								
Taxes:								
Individual.....	5,072,240	-	5,072,240	5,162,239	-	-	5,162,239	89,999
Corporation.....	656,811	-	656,811	635,203	-	-	635,203	(21,608)
Sales & Use.....	3,151,337	-	3,151,337	3,284,695	-	-	3,284,695	133,358
Excise.....	308,500	-	308,500	308,921	-	-	308,921	421
Inheritance & Gift.....	55,000	-	55,000	116,898	-	-	116,898	61,898
Public Utility.....	272,600	-	272,600	287,085	-	-	287,085	14,485
Insurance.....	95,000	-	95,000	97,045	-	-	97,045	2,045
Miscellaneous.....	51,180	-	51,180	56,328	-	-	56,328	5,148
Total Taxes.....	9,662,668	-	9,662,668	9,948,414	-	-	9,948,414	285,746
Departmental Revenue.....	151,227	-	151,227	165,276	-	-	165,276	14,049
Total Revenues.....	9,813,895	-	9,813,895	10,113,690	-	-	10,113,690	299,795
TOTAL AVAILABLE.....	10,166,138	-	10,166,138	10,721,793	-	-	10,721,793	555,655
EXPENDITURES								
Commerce.....	47,598	8,754	56,352	51,454	17,654	(18,068)	51,040	5,312
Education.....	5,003,311	66,686	5,069,997	5,027,046	16,057	(15,045)	5,028,058	41,939
Environmental Resources.....	197,815	3,393	201,208	197,718	2,376	(2,852)	197,242	3,966
Human Relations & Resources.....	2,491,760	54,604	2,546,364	2,508,876	45,991	(43,473)	2,511,394	34,970
General Executive.....	155,342	4,049	159,391	158,764	7,024	(8,073)	157,715	1,676
Judicial.....	81,067	4,415	85,482	85,408	5	0	85,413	69
Legislative.....	54,663	4,418	59,081	56,922	58	(2)	56,978	2,103
General (incl. Shared Revenue).....	1,844,768	22,891	1,867,659	1,757,560	2	(7)	1,757,555	110,104
Transfer to Property Tax Relief Fund..	100,000	0	100,000	100,000	0	0	100,000	0
Transfer to Local Government								
Property Insurance Fund.....	2,109	(108)	2,001	0	0	0	0	2,001
Transfer to Computer Escrow Fund....	64,000	0	64,000	64,000	0	0	64,000	0
Compensation Reserves.....	66,338	(57,071)	9,267	0	0	0	0	9,267
Less: Estimated Lapse.....	(60,255)	0	(60,255)	0	0	0	0	(60,255)
TOTAL EXPENDITURES.....	10,048,516	112,031	10,160,547	10,007,748	89,167	(87,520)	10,009,395	151,152
Residual Equity Transfer.....	0	0	0	487	0	0	487	487
UNRESERVED BALANCE	117,622	(112,031)	5,591	714,532	(89,167)	87,520	712,885	707,294
Prior Period Adjustment.....				(59)			(59)	(59)
Designation for continuing balances...	0	(11,533)	(11,533)		(11,533)		(11,533)	0
UNRESERVED								
UNDESIGNATED BALANCE.....	\$ 117,622	\$ (123,564)	\$ (5,942)	\$ 714,473	\$ (100,700)	\$ 87,520	\$ 701,293	\$ 707,235

The accompanying notes are an integral part of this statement.

Total Expenditures by Fund Source, State of Wisconsin

For the Fiscal Year Ended June 30, 1999



For more detail on expenditures, see Schedule A-2

State Of Wisconsin
 Statement of Recorded Revenues, Expenditures, and Changes in Fund Balance
 All Funds - Statutory Basis
 For The Fiscal Year Ended June 30, 1999
 (In Thousands)

	GOVERNMENTAL FUNDS						TOTAL
	General Fund			Major Special Revenue Funds		Other	As of June 30, 1999
	General Purpose	Program Revenue	Subtotal	Transportation	Conservation		
REVENUES							
Taxes.....	\$ 9,948,414	\$ 12,915	\$ 9,961,329	\$ 821,880	\$ 52,253	\$ 146,457	10,981,919
Intergovernmental Revenue.....	6,886	3,767,529	3,774,415	524,101	18,829	61,152	4,378,497
Licenses.....	53,027	124,508	177,535	304,346	84,830	82,875	649,587
Charges for Goods & Services.....	4,215	1,446,134	1,450,349	28,432	19,425	456,267	1,954,472
Contributions.....	0	0	0	0	0	1,697,288	1,697,288
Interest & Investment Income.....	44,723	53,645	98,368	10,285	3,096	5,714,017	5,825,766
Gifts & Donations.....	1	257,025	257,026	18	1,632	22,636	281,312
Other Revenue.....	15,873	303,366	319,239	12,666	2,988	630,990	965,883
Transfers.....	7,942	(2,252)	5,690	0	13,706	637,440	656,836
Other Transactions.....	32,609	175,979	208,588	0	21	10,045	218,654
Proceeds from							
Sale of Bonds and Notes.....	0	0	0	99,799	0	390,204	490,003
TOTAL REVENUES	10,113,690	6,138,849	16,252,539	1,801,527	196,780	9,849,371	28,100,217
EXPENDITURES							
Commerce.....	51,040	148,014	199,054	0	1,417	167,185	367,656
Education.....	5,028,058	2,200,071	7,228,129	0	170	308,967	7,537,266
Environmental Resources.....	197,242	46,819	244,061	1,839,472	188,616	222,049	2,494,198
Human Relations and Resources	2,511,394	3,318,151	5,829,545	0	3,167	746,523	6,579,235
General Executive.....	157,715	365,373	523,088	1,299	0	2,759,298	3,283,685
Judicial.....	85,413	9,661	95,074	0	0	357	95,431
Legislative.....	56,978	1,103	58,081	0	0	0	58,081
General (incl. Shared Revenue).....	1,921,555	0	1,921,555	14,656	0	611,391	2,547,602
TOTAL EXPENDITURES	10,009,395	6,089,192	16,098,587	1,855,427	193,370	4,815,770	22,963,154
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES.....	104,295	49,657	153,952	(53,900)	3,410	5,033,601	5,137,063
BEGINNING FUND BALANCE							
DESIGNATED	55,792	0	55,792	0	0	0	55,792
PRIOR PERIOD ADJUSTMENT	(59)	6,415	6,356			(113)	6,243
UNDESIGNATED	552,311	(19,072)	533,239	(380,633)	51,311	56,463,308	56,667,225
TOTAL	608,044	(12,657)	595,387	(380,633)	51,311	56,463,195	56,729,260
RESIDUAL EQUITY							
TRANSFERS.....	487	(545)	(58)	268	0	(210)	0
ENDING FUND BALANCE	712,826	36,455	749,281	(434,265)	54,721	61,496,586	61,866,323
DESIGNATED	11,533	0	11,533	0	0	0	11,533
UNDESIGNATED	\$ 701,293	\$ 36,455	\$ 737,748	\$ (434,265)	\$ 54,721	\$ 61,496,586	\$ 61,854,790

(1)

The accompanying notes are an integral part of this statement.

(1) See Note H

Exhibit A-3

State of Wisconsin
 Summary of Recorded Revenues and Expenditures - All Other Funds -
 Statutory Basis (Including Interfund Transfers)
 For The Fiscal Year Ended June 30, 1999
 (In Thousands)

Funds By Category	Undesignated Fund			Undesignated Fund		
	Balance As of June 30, 1998	Revenues	FY 1999 Adj. Expenditures		Balance As of June 30, 1999	
OTHER FUNDS						
<u>Other Special Revenue</u>						
213	Heritage State Parks and Forests..... \$	629 \$	48 \$	67 \$	0 \$	610
214	Wisconsin Health Education Loan Repayment...	5	98	98	0	5
217	Waste Management.....	4,744	244	0	0	4,988
218	Wisconsin Election Campaign.....	511	340	798	0	53
219	Investment and Local Impact.....	1,419	74	317	0	1,176
222	Industrial Building Construction Loan.....	277	14	0	0	291
224	Self Insured Employer Liability.....	(6)	77	33	0	38
226	Work Injury Supplemental Benefits.....	7,121	456	2,309	0	5,268
229	Uninsured Employers.....	6,777	1,639	621	0	7,795
238	Mediation.....	462	213	357	0	318
257	Agricultural Chemical Cleanup.....	1,980	491	1,124	9,056	10,403
259	Agrichemical Management.....	16,314	4,612	4,937	(9,535)	6,454
264	Historical Legacy Trust.....	0	680	0	0	680
272	Petroleum Inspection.....	7,630	111,254	108,605	0	10,279
274	Environmental.....	2,240	28,879	27,440	0	3,679
277	Dry Cleaner Environmental Response.....	387	1,240	135	0	1,492
279	Recycling.....	42,784	39,067	26,168	269	55,952
280	Information Technology Investment.....	(3,448)	195	0	0	(3,253)
285	Universal Service.....	4,311	14,078	15,674	0	2,715
286	Computer Escrow.....	0	64,000	0	0	64,000
289	Property Tax Relief.....	0	100,000	100,000	0	0
	<i>Total Other Special Revenue.....</i>	<i>94,137</i>	<i>367,699</i>	<i>288,683</i>	<i>(210)</i>	<i>172,943</i>
<u>Debt Service</u>						
315	Bond Security and Redemption.....	19,035	440,591	437,449	0	22,177
<u>Capital Projects</u>						
490	State Building Trust.....	24,759	52,400	52,483	0	24,676
492	Energy Efficiency.....	1,996	768	0	0	2,764
495	Capital Improvement.....	110,538	377,899	401,345	0	87,092
	<i>Total Capital Projects.....</i>	<i>137,293</i>	<i>431,067</i>	<i>453,828</i>	<i>0</i>	<i>114,532</i>
<u>TRUST & OTHER</u>						
<u>Expendable</u>						
723	Children's Trust.....	49	9	29	0	29
750	State Capital Restoration.....	44	213	239	0	18
763	Common School Income.....	7,383	19,194	22,507	0	4,070
788	Support Collection Trust.....	0	409,378	406,781	0	2,597

Exhibit A-3

State of Wisconsin
 Summary of Recorded Revenues and Expenditures - All Other Funds -
 Statutory Basis (Including Interfund Transfers)
 For The Fiscal Year Ended June 30, 1999
 (In Thousands)

Funds by Category	Undesignated Fund			Undesignated Fund	
	Balance As of June 30, 1998	FY 1999			Balance As of June 30, 1999
		Revenues	Adj. Expenditures	Fund Transfers	
<u>TRUST & OTHER (Continued)</u>					
876 University Trust Income.....	\$ 12,563	\$ 6,563	\$ 13,848	\$ 0	\$ 5,278
<i>Total Expendable</i>	20,039	435,357	443,404	0	11,992
<u>nonexpendable</u>					
743 Agriculture College.....	305	0	0	0	305
744 Common School Principal.....	378,869	28,607	0	0	407,476
745 Normal School.....	18,211	184	0	0	18,395
746 University.....	234	0	0	0	234
760 Historical Society Trust.....	9,431	1,883	405	0	10,909
767 Benevolent.....	14	0	0	0	14
875 University Trust Principal.....	167,399	5,064	5,675	0	166,788
<i>Total Nonexpendable</i>	574,463	35,738	6,080	0	604,121
<u>Pension</u>					
747 Fixed Retirement Trust.....	47,383,723	5,796,567	1,596,396	(113) *	51,583,781
751 Variable Retirement Trust.....	6,731,235	997,616	338,282	0	7,390,569
<i>Total Pension</i>	54,114,958	6,794,183	1,934,678	(113)	58,974,350
<u>Other</u>					
262 Public Employee Trust.....	237,215	707,989	501,823	0	443,381
521 Lottery.....	48,194	433,730	448,457	0	33,467
530 Health Insurance Risk Sharing Plan.....	40	1	106	0	(65)
531 Local Government Property Insurance.....	25,993	10,445	14,784	0	21,654
532 State Life Insurance.....	71,870	2,195	2,907	0	71,158
533 Patients Compensation Fund.....	455,615	62,310	23,966	0	493,959
570 Tuition Trust.....	2,254	1,852	128	0	3,978
573 Environmental Improvement.....	187,505	72,375	105,812	0	154,068
582 Veterans Trust.....	12,420	7,632	19,544	0	508
583 Veterans Mortgage Loan Repayment.....	461,902	44,893	133,733	0	373,062
587 Transportation Infrastructure Loan.....	375	1,314	388	0	1,301
<i>Total Other</i>	1,503,383	1,344,736	1,251,648	0	1,596,471
TOTAL TRUST & OTHER	56,212,843	8,610,014	3,635,810	(113)	61,186,934
TOTAL - ALL FUNDS	\$ 56,463,308	\$ 9,849,371	\$ 4,815,770	\$ (323)	\$ 61,496,586

The accompanying notes are an integral part of this statement.

* Denotes prior period adjustment

Exhibit A-4

Comparative Condition Of The General Fund
Fiscal Years Ended June 30, 1999, 1998 and 1997
(In Thousands)

	As of June 30, 1999	As of June 30, 1998	As of June 30, 1997
ASSETS			
Cash & Investment Pool Shares.....	\$ 867,293	\$ 446,212	\$ 498,692
Contingent Fund Advances.....	4,322	3,981	4,086
Investments.....	445	445	445
Accounts Receivable.....	896,640	811,184	816,708
Due from Other Funds.....	158,398	58,454	16,486
Inventory	0	0	0
Prepayments	42,338	50,935	40,884
TOTAL ASSETS.....	1,969,436	1,371,211	1,377,301
LIABILITIES			
Accounts Payable.....	521,609	337,998	330,589
Due to Other Funds.....	282,825	59,090	301,406
Tax and Other Deposits.....	52,979	50,406	62,084
Advance from other funds.....	0	2,000	4,000
Deferred Revenue	35,999	27,889	26,498
TOTAL LIABILITIES.....	893,412	477,383	724,577
FUND BALANCE			
<u>Reserved Balances</u>			
GPR Encumbrances	89,167	87,520	99,789
PR Encumbrances	237,576	217,276	155,683
Total Reserved Balances.....	326,743	304,796	255,472
<u>Unreserved Designated Balances</u>			
GPR Designation For Continuing Balances.....	11,533	55,792	10,694
<u>Unreserved Balances</u>			
GPR Unreserved Balance	701,293	552,311	327,145
Pr Unreserved Balance	36,455	(19,071)	59,413
Total Unreserved Balances.....	737,748	533,240	386,558
TOTAL FUND BALANCE.....	1,076,024	893,828	652,724
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 1,969,436	\$ 1,371,211	\$ 1,377,301

The accompanying notes are an integral part of this statement.

Exhibit A-5

State of Wisconsin
 Statement of Expenditures and Fund Balance-Budget vs.
 Actual-All Funds-Statutory Basis
 For the Fiscal Year Ended June 30, 1999
 (In Thousands)

	BUDGET			Disbursements	Reserve for Encumbrances as of		Expenditures
	Published Budget	Budget Adjustments	Final Budget		As of June 30, 1999	As of June 30, 1998	
EXPENDITURES							
Commerce..... \$	390,029	\$ 11,005	\$ 401,034	\$ 363,004	\$ 33,081	\$ (28,750)	\$ 367,335
Education.....	7,332,883	89,299	7,422,182	7,361,403	97,042	(77,352)	7,381,093
Environmental Resources.....	2,183,077	89,593	2,272,670	2,289,802	792,656	(659,478)	2,422,980
Human Relations & Resources.....	6,120,171	116,849	6,237,020	6,390,799	146,734	(150,112)	6,387,421
General Executive.....	613,161	273,908	887,069	840,849	60,539	(53,207)	848,181
Judicial.....	90,210	5,327	95,537	95,426	5	0	95,431
Legislative.....	55,995	4,421	60,416	58,025	58	(2)	58,081
General (incl. Shared Revenue).....	2,012,330	460,341	2,472,671	2,366,221	2	(7)	2,366,216
Transfer to Local Government							
Property Insurance Fund.....	2,109	(108)	2,001	0	0	0	0
Transfer to Property Tax Relief Fund..	100,000	0	100,000	100,000	0	0	100,000
Transfer to Computer Escrow Fund....	64,000	0	64,000	64,000	0	0	64,000
Compensation Reserves.....	66,338	(57,071)	9,267	0	0	0	0
Less: Estimated Lapse.....	(60,255)	0	(60,255)	0	0	0	0
EXPENDITURES							
PER CHAPTER 20 SCHEDULE..... \$	18,970,048	\$ 993,564	\$ 19,963,612	19,929,529	1,130,117	(968,908)	20,090,738
Appropriated and expended but not in Chapter 20 Schedule							
Fringe Benefits							
Insurance Premiums				446,917	0	0	446,917
Annuities				1,795,063	0	0	1,795,063
Other Fringe Benefits				166,019	0	0	166,019
Capital Projects				452,070	0	0	452,070
Other				14,233	3,232	(5,118)	12,347
TOTAL EXPENDITURES				\$ 22,803,831	\$ 1,133,349	(974,026)	\$ 22,963,154

The accompanying notes are an integral part of this statement.

Notes To Fund Statements

Note A Statutory Basis of Accounting

The State of Wisconsin Annual Fiscal Report is a report of actual financial results for the fiscal year against the state's budget as reflected in Chapter 20 of the Wisconsin Statutes. The report is not intended to display accounting information in accordance with Generally Accepted Accounting Principles (GAAP). The State's Comprehensive Annual Financial Report, which is prepared in accordance with GAAP is issued under a separate cover at the end of the calendar year. Statutes require that revenues and expenditures be recognized in the fiscal year in which they are received or paid. Exceptions are health and life insurance premiums which are paid two months in advance of the actual coverage months. The health and life insurance costs for the last two months of the fiscal year are recorded as expenditures in the following fiscal year. All investments owned by the state retirement funds are an exception to the requirement to recognize revenues and expenditures since investments are adjusted to market and the resultant unrealized gains or losses are reflected in the accounts of those funds. State statutes also provide that contributions to the state retirement funds received after August 1, which relate to earnings paid for services rendered in the previous fiscal year, may be recorded as revenues of the previous fiscal year. In addition, the state's centralized accounting records remain open until July 31 (August 15 for income, sales and use tax receipts) to permit the state departments to record revenues and expenditures applicable to the fiscal year ended June 30. Exceptions are the Building Trust Fund, the Capital Improvement Fund, and the Bond Security and Redemption Fund, which are closed as of June 30. However, the recording of charges and encumbrances applicable to the prior year is limited by the available appropriation balances of that year. In addition, state administrative policies require that revenues and expenditures be reported on a net basis; i.e., overcollections refunded are deducted from revenues, and overpayments collected are deducted from expenditures.

The July and August recording of prior fiscal years' revenues and expenditures results in accrued revenues and accounts payable in the statement of assets, liabilities and fund balances. Included in these amounts are receivables and payables between funds which are not eliminated for presentation as "due to" or "due from" other funds. Fixed assets as well as

inventories purchased are recorded as expenditures in the period in which they are paid. Encumbrances are treated as expenditures in the initial year. Unused appropriation balances may be allowed to continue for use in future years, rather than lapse to the General Fund. In these cases the continuing balances are treated as reserves for Program Revenue (PR) or General Purpose Revenue (GPR) balances. GPR consists of general taxes and miscellaneous revenues which are paid into the general fund and are then available for appropriation by the legislature. PR consists of funds also paid into the General Fund which are dedicated for specific purposes and are appropriated by the legislature as estimates through the use of revolving accounts.

Note B Fiscal Controls

The State Constitution provides that no money shall be paid out of the Treasury except as appropriated by law. The statutes require that the Secretary of Administration and the State Treasurer sign all checks. The Secretary of Administration exercises detail allotment control over all agency appropriations and approval authority over all encumbrances. The Secretary of Administration is also responsible for the audit of expenditures.

The Department of Administration maintains separate accounts for all appropriations showing the amounts appropriated, the amounts allotted, the amounts encumbered, the amounts disbursed and certain other data necessary to the financial management and control of all state accounts. The department also maintains the general ledgers of the funds of the state including the General Fund.

Note C Classification of Funds

Funds are generally classified in accordance with classification criteria appropriate for governmental accounting.

However, certain activities of a proprietary and fiduciary nature are combined within the Governmental and Trust, Agency and Other Funds. In addition, the activities of the State Building Trust Fund, included within the Capital Projects classification, consist of capital projects as well as projects for the maintenance and repair of state facilities.

Note D Extraordinary Transfers and Transactions Affecting Fund Balance

Loan to the General Fund

At the beginning of fiscal year 1999, the general fund had an outstanding loan of \$2,000,000 from the Local Government Property Insurance Fund. During FY 1999, the \$2,000,000 was repaid.

Compensation Reserve

In FY99, Chapter 20 included a compensation reserve for employe salary and fringe benefit increases. The total amount reserved (appropriated) was \$66,338,400 and the amount expended was \$57,070,676 leaving an unspent reserve of \$9,267,724.

Transfers From the General Fund

In FY 1999 a transfer totalling \$100,000,000 was made to the Property Tax Relief Fund (created by Act 213 of the 1995 Wisconsin Statutes) from the General Fund. A transfer totalling \$64,000,000 was made to the Computer Escrow Fund from the General Fund.

Note E Published Budget

The published budget amounts used in Exhibit A-1 are those shown for "General Purpose Revenues" (GPR) under state statute Chapter 20, Appropriations and Budget Management, compiled July, 1998.

The adjustments column reflects statutorily required appropriation adjustments to sum-sufficient and biennial appropriations and appropriation changes enacted under the statutory authority of the Legislative Joint Finance Committee or by statutory authority under program supplements.

The State of Wisconsin utilizes a budgetary procedure within the General Fund which treats most federal grant revenues, licenses and fees and revenues for proprietary activities as dedicated for the activities to which they relate. As such, variable budgeting techniques are used and the official state budget includes them only as estimates. These accounts, referred to as Program Revenue Appropriations, are not included in Exhibit A-1. Only those appropriations made from nondedicated General Purpose Revenues are included.

Note F Projected-to-Actual General Fund Condition

The variance between the published budgeted ending balance and actual undesignated balance at the end of fiscal year 1999 is explained as follows:

	<u>(thousands)</u>
Ending fund balance (Undesignated) per chapter 20	\$ 117,622
Opening balance adjustments:	
Prior year designation for continuing balances	55,792
Difference between budget and actual fund balance in the 1st year of the biennium	200,068
Total opening balance adjustments	<u>255,860</u>
REVENUE ADJUSTMENTS	
Taxes received more than estimate	285,746
Departmental revenues more than estimate	14,049
Total revenue in excess of estimate	<u>299,795</u>
APPROPRIATION ADJUSTMENTS	
Sum sufficient appropriations more than budgeted	(38,869)
Adjustments for Biennial and Continuing Balances	(44,259)
New Legislation	(28,903)
Total Appropriation Adjustments	<u>(112,031)</u>
LAPSES MORE THAN BUDGETED	151,152
PRIOR PERIOD ADJUSTMENT	(59)
RESIDUAL EQUITY TRANSFERS	487
DESIGNATION FOR CONTINUING BALANCES	(11,533)
UNDESIGNATED FUND BALANCE	<u>\$ 701,293</u>

Note G General Fund Cash Flow

Without corrective action, the General Fund would have experienced a short-term cash flow problem during the first half of the year. A temporary reduction in cash balances occurs every year due to a mismatch between the timing of receipts and disbursements. The majority of receipts were collected in the second half of the year while payments were more evenly distributed.

Because of this mismatch, a \$350 million operating note was issued in fiscal year 1999. Without the operating note the General Fund's cash balance would have dropped from an opening balance of \$443 million to a yearly low of \$-134 million, a reduction of \$577 million.

With the \$350 million operating note, this did not occur. The note prevented borrowing from other operating funds and ensured timely payments to local governments and the state's suppliers. The note allowed the state to acquire sufficient funds to offset July's, November's, and December's sizeable cash payments for local assistance. The proceeds of the note and their timely repayment allowed the General Fund to more closely match receipts and payments. The operating note sinking fund payments were met as scheduled and the full amount of the note plus accrued interest was repaid on June 15, 1999.

The operating note served as a cost-effective method of acquiring short term funds. The note saved the general fund \$5 million through increased investment earnings and reduced interfund borrowing.

Note H Negative Fund Balances

The negative ending fund balance in the Transportation Fund represents commitments (encumbrances) recorded as expenditures in the current year which will be funded by the Federal and/or local governments in the future.

Note I Unappropriated Activities

The Department of Commerce, the Commissioner of Insurance, and the Department of Regulation and Licensing enter into contracts with private vendors for programs that they manage. These contracts have not been budgeted within a state appropriation and therefore, this activity is summarized here to provide full disclosure of state agency operations.

	Commerce	Commissioner of Insurance	Regulation & Licensing
Revenues	\$217,822.00	\$747,178.00	\$1,269,520.00
Expenditures	\$217,822.00	\$747,178.00	\$1,269,520.00
Balance	\$0.00	\$0.00	\$0.00

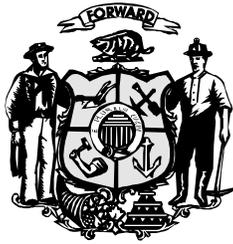
Note J Budget Stabilization Fund

In FY99 there was a deposit to the Budget Stabilization Fund in the amount of \$12. This money is being accounted for in the General Fund.

Note K Temporary Assistance to Needy Families (TANF)

In FY 1999, certain expenditures made with state GPR funds, were subsequently determined to be eligible for Federal reimbursement under the TANF (Temporary Assistance to Needy Families) Federal program. On September 30, 1999 the Joint Committee of Finance directed that \$48 million be transferred from the TANF block grant under the Department of Workforce Development to the Joint Committee on Finance's supplemental appropriation for lapse to the general fund. In addition, it was specified that these funds were to be used to reimburse the general fund for earned income tax credit payments for tax year 1998.

Supplemental Data



Total Revenues, State of Wisconsin

For the Fiscal Year Ended June 30, 1999

Other Revenues

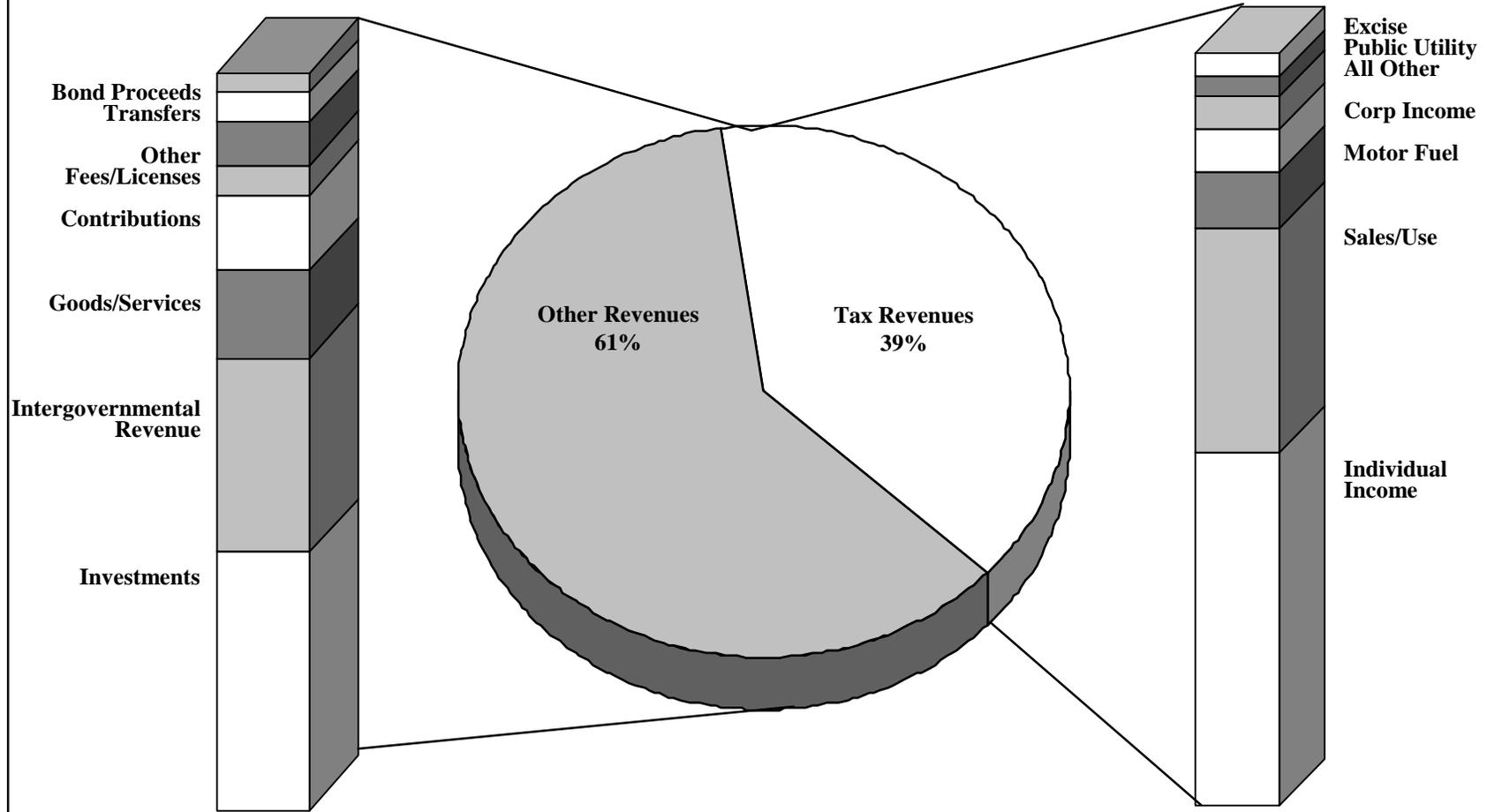
\$17.1 Billion

Total Revenues

\$28.1 Billion

Tax Revenues

\$11.0 Billion



For more detail on revenues, see Schedule A-2

Exhibit B-1

**Analysis of Revenues--All Funds
As of June 30, 1999
(In Thousands)**

	As of June 30, 1999	As of June 30, 1998	As of June 30, 1997
TAX REVENUES			
General Purpose Revenue			
Income Taxes			
Individual.....	\$ 5,162,239	\$ 5,047,515	\$ 4,558,265
Corporation.....	635,203	627,024	643,822
Federal Retiree Refund.....	0	(190)	(13,526)
Total Income Taxes.....	5,797,442	5,674,349	5,188,561
Sales and Excise Taxes			
General Sales and Use.....	3,284,695	3,047,406	2,864,373
Cigarette	257,422	247,743	204,567
Tobacco Products.....	9,395	9,353	8,781
Liquor and Wine.....	32,941	32,735	31,350
Malt Beverage (Beer).....	9,163	9,260	9,207
Total Sales & Excise Taxes.....	3,593,616	3,346,497	3,118,278
Public Utility Taxes			
Private Light, Heat & Power.....	117,056	110,442	107,829
Municipal Light, Heat & Power.....	1,481	1,432	1,338
Telephone.....	149,388	158,523	176,425
Pipeline.....	9,457	7,590	10,940
Electric Cooperative.....	7,536	7,460	7,885
Municipal Electric.....	1,336	1,879	911
Conservation & Regulation.....	678	680	750
Utility Tax (Refunds) Interest and Penalty....	153	352	153
Total Public Utility Taxes.....	287,085	288,358	306,231
Inheritance, Estate & Gift Taxes			
Inheritance and Estate.....	116,820	80,046	50,665
Gift.....	78	65	160
Total Death & Gift Taxes.....	116,898	80,111	50,825
Miscellaneous Taxes			
Insurance Companies (Premiums).....	97,045	88,065	94,641
Real Estate Transfer Fee.....	43,971	38,440	33,536
Lawsuits (Courts).....	9,598	9,457	8,700
Pari-mutuel Tax.....	2,191	2,355	2,616
Other.....	568	605	623
Total Miscellaneous Taxes.....	153,373	138,922	140,116
TOTAL GPR TAX REVENUES.....	9,948,414	9,528,237	8,804,011
Program Tax Revenues			
Fire Dues.....	8,630	5,932	7,706
Pari-mutuel Taxes.....	1,198	1,215	1,237
County Expo Tax Administration.....	400	331	330
Baseball Park Administration Fee.....	314	479	489
Business Trust Regulation Fee.....	1,998	1,013	718
Sales Tax Audits.....	348	221	0
Other.....	27	(4)	(50)
TOTAL PROGRAM TAX REVENUES.....	12,915	9,187	10,430
TOTAL - GENERAL FUND TAX REVENUES.....	\$ 9,961,329	\$ 9,537,424	\$ 8,814,441

Exhibit B-1

**Analysis of Revenues--All Funds
As of June 30, 1999
(In Thousands)**

	As of June 30, 1999	As of June 30, 1998	As of June 30, 1997
Type of Revenue:			
Transportation Fund			
Motor Fuel Taxes..... \$	797,023 \$	740,229 \$	693,163
Air-Carrier Tax.....	8,558	6,333	8,720
Railroad Tax.....	12,062	10,033	12,270
Aviation Fuel Tax.....	1,354	1,476	1,082
Other Taxes.....	2,883	610	0
Conservation Fund			
2/10 Mill Forestry Mill Tax.....	49,797	46,617	43,377
Forest Crop Taxes.....	2,456	2,945	2,181
Investment & Local Impact Fund			
Metalliferous Minerals Taxes.....	0	16	643
Mediation Fund.....	3	3	2
Badger Fund			
Metalliferous Minerals Taxes.....	0	11	428
Petroleum Inspection Tax.....	110,699	103,842	0
Recycling Fund			
Temporary Service Charges.....	35,755	53,615	51,479
TOTAL STATE TAX REVENUES.....	10,981,919	10,503,154	9,627,786
Intergovernmental Revenue	4,378,497	3,933,124	4,015,927
Licenses and Permits	649,587	620,852	666,325
Charges for Goods and Services.....	1,954,472	1,878,904	1,788,959
Contributions.....	1,697,288	1,484,849	1,455,506
Interest and Investment Income	5,825,766	8,626,767	7,887,797
Gifts and Donations	281,312	301,418	258,967
Proceeds from Sale of Bonds	490,003	444,986	290,612
Other Revenues	965,883	683,644	436,582
Other Transactions.....	218,654	163,451	312,741
TOTAL DEPARTMENTAL REVENUES.....	16,461,462	18,137,995	17,113,416
TRANSFERS.....	656,836	956,782	669,556
TOTAL REVENUES..... \$	\$ 28,100,217 \$	\$ 29,597,931 \$	\$ 27,410,758

The accompanying notes are an integral part of this statement.

Exhibit B-2

General Fund Sum Sufficient Appropriations
For the Fiscal Year Ended June 30, 1999
(In Thousands)

Agency	Appr		Prior Year Encumbrance	Chapter 20	Increases	Expenditures	Lapse	
State Operations								
370	116	1fe	Endangered Resources General Fund..... \$	0	500	0	500 \$	0
370	211	2da	Waste Tire Removal and Recovery.....	139	0	637	703	73
410	104	1c	Reimbursement Claims from Counties With State Institutions.....	0	262	0	156	106
435	610	6dm	Nursing Home Monitoring Supplement.....	0	0	0	0	0
455	202	2am	Officer Training Reimbursement.....	0	50	75	125	0
465	103	1c	Public Emergencies.....	0	48	0	38	10
505	402	4b	Adjudication of Equalization Appeals.....	0	0	0	0	0
505	405	4d	Claims Awards.....	0	25	0	16	9
525	101	1a	Governor'S Office Administration.....	0	2,617	48	2,626	39
525	102	1b	Contingent Fund.....	0	22	0	22	0
525	103	1c	Membership In National Assoc.....	0	103	0	103	0
525	201	2a	Executive Residence.....	0	205	21	221	5
625	101	1a	Circuit Courts.....	0	44,032	3,277	47,309	0
660	101	1a	Court Of Appeals.....	0	6,385	721	7,106	0
680	101	1a	Supreme Court.....	0	3,547	232	3,779	0
765	101	1a	Assembly.....	0	19,537	642	19,464	715
765	103	1b	Senate.....	0	12,733	470	13,014	189
765	104	1d	Legislative Documents.....	0	7,997	1,710	9,707	0
765	308	3fa	Membership In National Assoc.....	0	155	0	151	4
855	101	1a	Obligation On Operating Notes.....	0	13,100	0	8,932	4,168
855	102	1b	Operating Notes Expenses.....	7	110	0	99	18
855	301	3a	Capitol Offices Relocation.....	0	2,420	32	2,452	0
855	401	4a	Interest On Overpayment Of Taxes.....	0	500	1,061	1,561	0
855	403	4c	Minnesota Income Tax Reciprocity.....	0	40,000	0	39,367	633
855	405	4e	Transfer To Conservation Fund - Land Acquisition.....	0	252	0	229	23
855	408	4f	Supplemental Title Fee Matching.....	0	10,275	564	10,839	0
865	101	1a	Judgement & Legal Expenses.....	0	50	0	39	11
<i>Total State Operations.....</i>			146	164,925	9,490	168,558	6,003	
Aids and Local Assistance								
115	202	2b	Animal Disease Indemnities.....	0	109	0	24	85
115	402	4b	Aids To County & District Fairs.....	0	265	0	0	265
235	104	1e	MN-WI Student Reciprocity.....	0	2,000	106	2,106	0
235	109	1fy	Academic Excellence.....	0	3,016	114	3,130	0
255	201	2ac	General Equalization Aids.....	0	3,460,134	0	3,431,081	29,053
255	218	2fm	Charter Schools.....	0	0	350	350	0
255	235	2fu	Milwaukee Parental Choice Program.....	43	6,600	21,376	28,019	0
370	503	5da	Aids In Lieu Of Taxes.....	0	2,100	274	2,374	0
435	714	7da	Reimburse Local Units of Government.....	138	400	0	488	50
435	715	7ed	State Supplement to Federal Supplemental Security Income Program.....	0	128,282	0	128,282	0
445	102	1aa	Special Death Benefit.....	0	479	45	524	0
455	102	1b	Special Death Benefit.....	0	1,100	0	336	764
465	305	3e	Disaster Recovery Aids.....	0	881	2,115	2,996	0
515	101	1a	Annuity Supplements And Payments.....	0	6,811	0	6,748	63
515	102	1b	Post Retirement Health Ins Premiums.....	0	0	12	12	0
835	108	1b	Small Municipalities Shared Revenue.....	0	10,000	0	10,000	0
835	101	1c	Expenditure Restraint Program Acct.....	0	48,000	0	48,000	0
835	102	1d	Shared Revenue Account.....	0	930,460	0	930,458	2
835	103	1f	County Mandate Relief Account.....	0	20,159	0	20,159	0
835	203	2c	Homestead Tax Credit.....	0	82,000	746	77,181	5,565

Exhibit B-2

General Fund Sum Sufficient Appropriations
For the Fiscal Year Ended June 30, 1999
(In Thousands)

Agency	Appr		Prior Year Encumbrance	Chapter 20	Increases	Expenditures	Lapse
Aids and Local Assistance (Continued)							
835	208 2ci	Development Zones Investment Credit.....	\$ 0	3	0	0	\$ 3
835	210 2cl	Development Zones Location Credit.....	0	2	0	0	2
835	204 2cm	Development Zones Jobs Credit.....	0	450	0	90	360
835	206 2cn	Development Zones Sales Tax Credit.....	0	200	0	155	45
835	205 2dm	Farmland Preservation Credit.....	0	20,000	0	18,108	1,892
835	209 2ep	Cigarette Tax Refunds.....	0	12,200	0	11,337	863
835	212 2f	Earned Income Tax Credit.....	0	76,500	0	60,376	16,124
835	302 3b	School Levy Tax Credit.....	0	469,305	0	469,305	0
835	601 6a	County Assessment Aid.....	0	0	0	0	0
855	402 4b	Election Campaign Payment.....	0	285	27	312	0
<i>Total Aids and Local Assistance.....</i>			181	5,281,741	25,165	5,251,951	55,136
Principal Repayment and Lease Rental							
115	205 2D	Principal Repayment and Interest.....	0	0	21	21	0
115	707 7f	Principal Repayment and Interest.....	0	175	0	0	175
190	101 1c	Principal Repayment and Interest.....	0	975	0	826	149
225	103 1c	Principal Repayment and Interest.....	0	979	6	984	1
245	106 1e	Principal Repayment and Interest.....	0	15	0	0	15
245	210 2e	Principal Repayment and Interest.....	0	787	8	795	0
245	505 5e	Principal Repayment and Interest.....	0	469	(2)	467	0
250	105 1e	Principal Repayment and Interest.....	0	28	34	62	0
255	104 1d	Principal Repayment and Interest.....	0	1,043	17	1,060	0
275	107 1er	Principal Repayment and Interest.....	0	292	0	0	292
275	108 1es	Principal Repayment and Interest.....	0	2,924	0	292	2,632
285	110 1d	Principal Repayment and Interest.....	0	75,697	2,330	78,027	0
320	103 1c	Principal Repayment and Interest.....	0	27,675	0	26,423	1,252
320	282 2c	Principal Repayment and Interest.....	0	0	141	141	0
370	701 7aa	Principal Repayment and Interest.....	0	10,421	0	10,130	291
370	704 7ba	Principal Repayment and Interest.....	0	1,923	0	1,251	672
370	705 7ca	Principal Repayment and Interest.....	0	2,034	0	1,980	54
370	706 7cb	Principal Repayment and Interest.....	0	68,843	0	68,094	749
370	707 7cc	Principal Repayment and Interest.....	0	16,602	0	16,447	155
370	708 7cd	Principal Repayment and Interest.....	0	850	0	843	7
370	709 7ea	Principal Repayment and Interest.....	0	465	0	449	16
410	10 1e	Principal Repayment and Interest.....	0	49,948	0	48,950	998
410	307 3e	Principal Repayment and Interest.....	0	3,162	868	4,030	0
435	207 2ee	Principal Repayment and Interest.....	0	9,848	0	9,141	707
435	602 6e	Principal Repayment and Interest.....	0	33	18	51	0
465	104 1d	Principal Repayment and Interest.....	0	2,769	102	2,871	0
485	106 1f	Principal Repayment and Interest.....	0	1,390	0	1,371	19
505	503 5c	Principal Repayment and Interest.....	0	0	0	0	0
867	102 1b	Principal Repayment and Interest.....	0	10,940	0	10,184	756
867	301 3a	Principal Repayment and Interest.....	0	9,276	0	7,155	2,121
867	302 3b	Principal Repayment and Interest.....	0	0	749	749	0
867	304 3d	Principal Repayment and Interest.....	0	0	0	0	0
867	305 3e	Principal Repayment and Interest.....	0	41	0	0	41
<i>Total Principal Repayment and Lease Rental.....</i>			0	299,604	4,292	292,794	11,102
Pay Plan & Supplement							
865	103 1c	Salary.....	0	0	49,780	49,780	0
865	104 1d	Fringe.....	0	76	7,214	7,290	0
<i>Total Pay Plan & Supplements.....</i>			0	76	56,994	57,070	0
TOTAL GENERAL FUND SUM SUFFICIENTS			\$ 327	5,746,346	95,941	5,770,373	\$ 72,241

